



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

June 12, 2018

Elie Schoppik, Owner
 Rithm School
 3338 17th Street Suite 100
 San Francisco, CA 94110

Date of Issuance	Citation Number	Institution Code
June 12, 2018	1718028	Unapproved

On June 5, 2018 an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1718028 (Citation) against Elie Schoppik, Owner of Rithm School. In attendance were Yvette Johnson, Enforcement Chief and Elie Schoppik, Owner.

Pursuant to Business and Professions Code, section 148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5 CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1718028

It is the decision of the Enforcement Chief that on June 6, 2018 Citation No. 1718028 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the section(s) you are charged with violating.
1.	<p>MODIFIED</p> <p><u>Violation:</u></p> <p>CEC 94886. Approval to Operate Required</p> <p><i>"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."</i></p> <p>CEC 94817.5. Approved to Operate or Approved</p> <p><i>"Approved to operate" or "approved" means that an institution has received authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs."</i></p>

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Citation No. 1718028 – MODIFIED
 Elie Schoppik, Owner of Rithm School
 Institution Code: Unapproved

Updated: 07/26/13

CEC 94868. To Offer to the Public

"To offer to the public" means to advertise, publicize, solicit, or recruit."

CEC 94869. To Operate

"To operate" means to establish, keep, or maintain any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided."

CEC 94857. Postsecondary Education

"Postsecondary education" means a formal institutional educational program whose curriculum is designed primarily for students who have completed or terminated their secondary education or are beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education.

CEC 94858. Private Postsecondary Educational Institution

"Private postsecondary educational institution" means a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge.

CEC 94902. General Enrollment Requirements

(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.

(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.

During the Bureau staff's field investigation on July 14, 2017, Bureau staff discovered that the Institution is in operation and had a class in session. During the interview, Elie Schoppik, owner confirmed the Institution has been in operation since 2016 and currently has 16 enrolled students in a web development program.

On July 15, 2017, in response to the Bureau staff's request, Elie Schoppik, owner emailed Bureau staff the list of four different cohorts and two signed current enrollment agreements. The two enrollment agreements for Professional Web Development Training were signed March 13, 2017, with a total program charge of \$20,000.00 (student received an additional \$4000.00 scholarship) and April 10, 2017, with a total program charge of \$24,000.00.

The Institution advertises programs on its website, www.rithmschool.com, on yelp at <https://www.yelp.com/biz/rithm-school-san-francisco-2> with the listed address of 3338 17th Street Suite 100, San Francisco, California 94110 and a phone number (415) 633-6662, and on Course Report at <https://www.coursereport.com/schools/rithm-school>.

Based on the Bureau's investigation, the Institution is conducting business as a private postsecondary educational institution at 3338 17th Street Suite 100, San Francisco, CA 94110, and is

not exempt from the provisions of the California Private Postsecondary Act. The Institution advertises a web development program for \$24,000.00. As such, the Institution falls under the definition of a private postsecondary educational institution under CEC section 94858. Although the Institution submitted an Application for Approval to Operate a Non-Accredited Institution on August 15, 2016, the Institution has not obtained an approval to operate. On August 15, 2016, the Institution was notified in a letter from the Bureau's Licensing Unit that per section 94886, "... a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter." As of April 27, 2018, the Institution continues to operate as an unapproved private postsecondary educational institution and has been operating since 2016 and is in violation of CEC section 94886.

Order of Abatement:

The Bureau orders that the Institution cease to operate as a private postsecondary educational institution. The Institution must discontinue recruiting or enrolling students and cease all instructional services and advertising in any form or type of media (including the internet website, www.rithmschool.com), until such time as an approval to operate is obtained from the Bureau. The Institution must disconnect all telephone service for (415) 633-6662 and any other telephone numbers not identified here that are associated with Institution until such time as an approval to operate is obtained from the Bureau. The Institution must provide a refund to all students enrolled at the school prior to the receiving an approval to operate from the bureau as the enrollment agreements signed by the students are not enforceable since the school does not have a valid approval to operate. To comply with the Order of Abatement the Institution must submit a school closure plan to the Bureau pursuant to California Education Code sections 94926 and 94927.5. The Institution must provide a roster of each student currently enrolled at Rithm School. The roster must include the name of the student, their contact information (including phone number, email address and physical address), the program in which they are enrolled, the date of enrollment, the amount paid for the program, and the amount the student was refunded.

Assessment of Fine

The fine for this violation is \$100,000.00

Reason for modification: The Institution submitted an Application for Approval to Operate a Non-Accredited Institution, discontinued student enrollment, and modified the website to remove application and enrollment information.

The administrative fine for this violation has been modified from \$100,000.00 to \$25,000.00.

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$25,000.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Gurinder Sandhu, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this modified Citation through an Administrative Hearing, *only if* you initially requested one within 30 days from the issuance date of the original citation. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

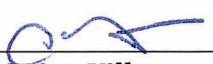
EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **June 12, 2018**. The order of abatement and payment are due by **July 12, 2018**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Affirmed Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Gurinder Sandhu, Citation Analyst, at (916) 431-6940 or at Gurinder.Sandhu@dca.ca.gov.


Christina Villanueva
Enforcement Manager


Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Withdrawal- Request for Administrative hearing
- Statement of Rights
- Copy of Citation Order Number
- Declaration of Service by Certified and First-Class Mail